

# **DIVISION OF ACCOUNTS AND REPORTS POLICY AND PROCEDURE MANUAL**

Revision Date 01/20/99

Date Issued 07/92

*Revisions throughout*

Filing Number 10,754

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## **SUBJECT**

Prepaid Turnpike Accounts

## **PURPOSE**

To establish application procedures, accounting controls and reimbursements methods for moneys advanced for prepayment of turnpike tolls.

## **AUTHORITATIVE REFERENCE**

None

## **GENERAL INFORMATION**

Turnpike authorities are constantly reviewing technologies and methods available that will enable them to serve their clientele more efficiently while reducing costs incurred in the collection of user fees (toll). Some turnpike authorities are acquiring high technology systems that automatically identifies a vehicle as it passes an electronic sensor, records the trip information and deducts the toll from a prepaid account established with the turnpike (e.g., Kansas Turnpike Authority's K-TAG). The turnpike issues an electronic device that is attached to the inside of the vehicle's windshield. As the vehicle travels through designated lanes when entering and exiting the turnpike, the identification number of the device is read and the trip information is recorded electronically. The turnpike authority incurs some economies in operations while the motorist may receive discounted fees and the convenience of almost never having to stop at a toll plaza.

Any state agency desiring to establish a prepaid turnpike account must complete the appropriate application. The agency should submit a completed voucher for the initial amount to be advanced to the turnpike authority and a copy of the completed application/agreement signed by the appropriate representative of the state agency. The purpose of the prepayment must be limited to making advance deposits against which future turnpike pass (toll) fees will be charged. Prepayment to open an account for turnpike fees should only be requested when there is a benefit to the agency, such as discounted usage fees or special lanes at toll plazas which utilize electronic devices to record the entrance and exit of a vehicle without stopping, thus incurring a reduction in travel time. The agency is responsible for developing and implementing adequate internal procedures for the prevention of unauthorized use or abuse of the pass cards or electronic devices and for the detection of errors in the billings received from the turnpike authority.

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The itemized monthly statements are NOT billings. Each agency should estimate its turnpike toll usage needs for the next month when making a monthly payment. Turnpike tolls should not be prepaid for more than the next thirty days. Surplus funds at the end of the fiscal year should not be used to prepay turnpike tolls for the following fiscal year. Since no billings will be outstanding at the end of the fiscal year for those accounts in a positive status, turnpike tolls should not be a DA-118 item at the end of each fiscal year.

## **PROCEDURES**

<b>Responsibility</b>	<b>Action Step</b>
State Agency	<ol style="list-style-type: none"><li>1. Complete the appropriate application form.</li><li>2. Calculate the advance amount considering the minimum amount required by the turnpike authority and the anticipated usage for a billing cycle.</li><li>3. Prepare a payment voucher DA-120 or DA-103 for the initial advance amount. Use object code 253X (see Action Step 7) and charge the advance to the same budgetary account that would ordinarily be used for payment of turnpike fees.</li><li>4. Attach a signed copy of the application form to the original voucher and forward all documents, to the Audit Services Team of the Division of Accounts and Reports. Agencies with delegated audit authority should process the documents in accordance with the agency's procedures</li></ol>
Accounts and Reports	<ol style="list-style-type: none"><li>5. Review and process the payment voucher and issue warrant or electronic payment.</li></ol>
State Agency	<ol style="list-style-type: none"><li>6. Upon receipt of billing, verify the charges and prepare a payment voucher, DA-120 or DA-103, payable to the turnpike authority for the amount necessary to maintain an adequate balance for the anticipated usage through the next billing cycle. Any time the agency is notified that the prepaid balance has reached the minimum level required for the specified account, the agency should immediately review the level of usage of the prepaid account and recompute the prepayment amount required as set forth in Action Step 2. A voucher should be prepaid for any additional amount necessary to maintain the account</li></ol>

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through the normal billing and remittance period. A brief explanation of the necessity for a supplemental amount to be advanced should be provided in the description area of the voucher.

7. Charge the tolls for the period on the voucher to the budgetary accounts, programs and object codes to which the turnpike tolls would have been there no prepaid expenditures. The object code would normally be 2531, 2532 or 2533 for state car expense in-state, out-of-state or international travel, respectively, or 2591, 2592 or 2593 for non-subsistence items.
8. Reconcile the unexpended account balance to the monthly statement provided by the turnpike authority.
9. When the prepayment process is no longer considered necessary, request a final statement from the turnpike authority and a refund check payable to the agency for the balance. Prepare a final reconciliation and deposit the refund check with the State Treasurer into the budgetary account from which the initial balance was originally created. Use the same expenditure subobject that was charged on the voucher that originally established the account.

## **CONTACT SOURCES**

Questions regarding the establishment of prepaid turnpike accounts should be directed to:

Division of Accounts and Reports  
Central Accounting Services Section  
Audit Services Team

Specific questions regarding K-TAG should be directed to:

Kansas Turnpike Authority  
9401 East Kellogg  
Wichita KS 67207  
(Internet: <http://ksturnpike.com>)